

\$63,000, 300 percent of poverty. It is hard to imagine they have so much money that they couldn't use a helping hand with health insurance.

The final point that is made is a tougher one, and it is one we are going to be debating this week. Here is what it comes down to: Should we cover the children of people who are in the United States legally but not citizens for the first 5 years they are here? We have had this debate back and forth for 10 or 12 years. We have decided from time to time to extend food stamps to these people legally here but not citizens. The question is: Should their children receive health insurance coverage if they are legally in the United States?

There will be some who will argue: No, don't do it. I am not one of those people. I honestly believe America is not better off with sick children. I do not believe we should be naive enough to think a sick child, who happens to be an American citizen sitting in the classroom with your own child, is not going to spread the germs, is not going to have problems that could reach other kids. I guess this betrays my own personal values. I would much rather see these kids healthy and given a chance. Yes, it is going to add some costs, but they are legally here. We are not talking about undocumented people. They are legally here, and they are in the status of on the way to citizenship or at least temporarily legal in the United States.

That is an issue we will debate. This law does not require them to be covered. Each Governor has to decide. It is the State's decision. If the States don't want to cover them, that is their decision.

These folks are likely to become tomorrow's citizens. Census data shows most immigrants who enter the United States when they are children become U.S. citizens. These are the children who will grow up to be the adults we need to be in our workforce and to be productive citizens, people who will make contributions to the U.S. economy, pay their taxes, start businesses, serve in the military, and participate in America's civic life.

There are 18,000 legal immigrant children in my home State of Illinois. These are future adults who will go to school, make a career, and create families. How can we continue to support a policy that says to our future American citizens: You have to wait 5 years to see a doctor, to get your immunizations, to feel better. No child should have to wait 5 years for health care. Five years can be a lifetime to a little boy or girl.

In the 5-year waiting period, we may miss an opportunity to diagnose and treat asthma, autism, hearing impairments, or vision problems. These are conditions that may have lifelong consequences for a child's health, educational attainment, and well-being.

Our country is better than that. We will debate these amendments, as we

should. That is what the Senate is about: deliberation, votes, and resolution of issues. Then I believe we will send this Children's Health Insurance Program to President Obama. Despite the two vetoes by President Bush, we are going to extend this program because our vision of America was articulated by President Obama at the beginning of his campaign. He used to talk—in fact, he spoke this way when he was a Senator from Illinois and even a candidate for the senate in Illinois—that the misfortune of a child in East St. Louis had an impact on his life in Chicago; the misfortune and lack of education of a child on the south side of Chicago affects people living in better-off suburbs.

Bottom line, in a few words, we are in this together. If we improve the quality of life for our children, give them a fighting chance to be healthy and well educated, to become participants in America, we will be a better nation. To turn our back on them, to shun and push aside millions of kids, for whatever reason, is not good for our country in the long run. It is not the value system we are all about.

We provide foreign aid, and I support that, to countries around the world to help kids who may never set foot in the United States. We do it because we are caring people. Shouldn't our care be extended first to our own children to make sure they have basic health insurance?

I am looking forward to this debate. I hope it is the beginning of a good debate and a good outcome and that this bill will be sent to President Obama, who will have a chance to sign it into law to give these kids a fighting chance for decent health care.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF TIMOTHY F. GEITHNER TO BE SECRETARY OF TREASURY

The PRESIDING OFFICER. Under the previous order, the Senate shall proceed to executive session to consider the following nomination, which the clerk will report.

The bill clerk read as follows:

Department of Treasury, Timothy F. Geithner, of New York, to be Secretary of the Treasury.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Madam President, I rise today to express my support for the confirmation of Timothy Geithner as President Obama's choice as Secretary of the Treasury. I am aware this nominee is not free of controversy. My office has received many calls from Utahns who are concerned about Mr. Geithner's admitted errors in initially failing to report and pay his own self-employment tax. Many of them brought up the valid point that the Secretary of the Treasury, the person who is ultimately in charge of collecting taxes from all Americans and who oversees the Internal Revenue Service, should be beyond reproach in his own tax filings. Many of our colleagues on both sides of the aisle are also uneasy about this problem. I understand and I share this concern.

The Senate has a solemn responsibility in confirming key officials in the executive branch, and the Treasury Secretary is among the very most important roles in the administration, both historically and particularly at this critical time. My guiding principle for approving the President's nominees has always been that the President, as chief executive of the Nation, should be entitled to the person he or she chooses, and that the Senate has an obligation to confirm those choices except in cases where it is obvious the nominee is either incompetent, corrupt, or unethical. While not all my colleagues share this view, I believe it is the correct one, and that it helps us stay above the petty partisanship that sometimes enters into these nomination processes and harms the effectiveness of our Government.

Upon careful examination of this nominee, it is obvious that Timothy Geithner is neither incompetent nor corrupt, and certainly not unethical, and that he should be confirmed as Secretary of the Treasury. I have reached this decision after weighing the facts of his tax situation with his impressive education, experience, and intelligence, and keeping in mind the desperate financial crisis currently facing this country.

In announcing this conclusion, I believe I owe it to the people of Utah to explain that I view Timothy Geithner's tax issue as a very serious matter. He is the top tax officer in the United States of America and, I might add, next to the President himself, is the person who bears the ultimate responsibility for collecting the revenue this Nation needs in order to operate. As such, the Treasury Secretary must be an example to all Americans in tax and financial issues, and any shortcomings in this area can be an impediment to effective tax compliance. The fact Mr. Geithner has had this issue arise, and that he admitted committing serious oversights on several of his tax returns, is indeed regrettable. It has marred an otherwise singularly outstanding nominee's record and has

given pause to some in the Senate about his fitness to serve.

At the same time, it is important to note that people make mistakes and commit oversights. Even the most intelligent and gifted—two adjectives that certainly apply to Mr. Geithner—make errors in their financial dealings. For his part, Mr. Geithner has corrected the problems by filing amended returns and paying the taxes due, with interest. I recognize he did not come forward and pay the taxes for the earlier 2 years which were not covered by the audit until shortly before his nomination was announced. This is true even though he was credited for those taxes by the International Monetary Fund, and I wish this were otherwise. But the nominee has stated that he wishes he had acted differently as well.

Mr. Geithner has admitted his errors and expressed regret for them. I believe he is sincere. I have had a number of meetings with him and I am convinced he is sincere, and that he was when he testified that these omissions were mistakes and were not intentional. I think anyone who would talk to him personally and go through this with him would come to the same conclusion. While these mistakes have, to some degree, cast a shadow on Mr. Geithner's selection, it is important that they not be allowed to overshadow his impressive credentials and the very real expertise he will bring to this job—an expertise that is sorely needed at the present time. And that is acknowledging that Mr. Paulson, our current Secretary of the Treasury, has tried to do a very good job, and has done a very good job under the very pressing conditions he has faced.

Let there be no mistake, Mr. Geithner is not merely acceptable for the job, he is highly qualified. Indeed, his portfolio, knowledge, and skills make him uniquely qualified to serve and are sorely needed by this Nation as we face the current economic crisis. He is intimately familiar with all arms of U.S. policymaking.

For instance, he is no stranger to the Treasury Department, where he served in significant positions for 8 years. That means he knows the agency, the personnel, and the tasks that will face him when he is confirmed. It means he can hit the ground running on day one and has the know-how to get the economy moving again, although that is going to be a monumental job even for Mr. Geithner.

Moreover, Mr. Geithner has already been a major player in addressing the Nation's response to the economic situation. As head of the New York Federal Reserve—actually president of the New York Federal Reserve—he has worked closely with Secretary Paulson and Federal Reserve Chairman Ben Bernanke in crafting the Government's response to the financial crisis. He knows firsthand what has worked and what has not, and is therefore best equipped to apply the remedies that will be most successful. He knows the

issues and he knows the landscape and the tools available to address these problems.

Have our actions to date in responding to this economic calamity been perfect? Almost certainly not. Have mistakes been made? Yes, they undoubtedly have. Unfortunately, it is too early to assess with complete accuracy the effectiveness of our response to this complex and unprecedented situation. However, the fact that Mr. Geithner recognizes mistakes have occurred makes him more valuable, in my view, in the continuing effort to right our economic ship. I would rather have at the helm a battle-hardened veteran who knows the shoals and whirlpools than a neophyte who has to wade into these churning waters for the first time. It is imperative to the Nation to have a Treasury Secretary who won't sink or merely tread water but will swim. In my estimation, Mr. Geithner is that man.

Because of his experience at the Treasury and the Federal Reserve, and the fact that he has been working arm in arm with Secretary Paulson and Chairman Bernanke, Timothy Geithner is more aware of the complexities of the issues facing us than probably anyone else the President might have chosen. Moreover, he knows the financial markets and the counterpart officials to the Treasury Secretary around the world. That is evident from his experience in the Clinton administration as Under Secretary for International Affairs and the critical role he played in devising the successful United States response to the Asian financial crisis—not an easy thing to handle, and he did it amazingly well.

I am comfortable that despite the blemishes of his tax problem, Mr. Geithner should be confirmed to this vital position. The fact that this is an unprecedented and dangerous time makes it all the more imperative that we vote quickly on this nomination. I do not believe we have the luxury of leaving this position unfilled even another day. Rejecting this nominee would lead to a delay of weeks in getting our new executive branch economic team focused on the problems at hand. Such a delay could be hazardous to a timely turnaround to the financial and economic crisis. Moreover, rejection of Mr. Geithner brings about the very real risk that the next person the President might nominate could be less effective for the job, even if he or she had a spotless tax compliance record.

I might add for my fellow conservatives out there, who are very upset about this—some up in arms about it—you are not going to get a better person for this job than Mr. Geithner, and you better be darned happy that the President has been willing to go to somebody who is a lot less ideological than any of us ever expected in this very important position. It is one thing to raise the issues. It is one thing to decide to vote against him. It is another thing to not acknowledge that

this is a man who could really help this country at this time.

Moreover, Mr. Geithner will not approach the job of Treasury Secretary from an ideological or partisan perspective. At least that is what he has told me, and I believe he is a man of honor. A less experienced and perhaps more partisan and ideological nominee could prove divisive here in the Senate, thus leading to even more delay, and, if confirmed, that person could find himself or herself engulfed in a maelstrom without the experience from which to navigate. Timothy Geithner, I am convinced, will steer clear of partisanship. I believe he will chart a course for bipartisan cooperation rather than embark on leftwing solutions that would divide the Congress and endanger our beautiful and wonderful country.

As I conclude my remarks, I feel constrained to point out what I see is a double standard, illustrated in this nomination. Having lived through the last 8 years with President Bush, I do not think there is any question that if this had been a Republican nominee with these same problems, many in the media and some on the left of this body would have reacted with such an outcry to the tax compliance issue that the President would have had no choice other than to withdraw the nomination. A Republican nominee in Mr. Geithner's position would not have even gotten a committee vote. We all have seen that. Time after time, some of the most qualified people were rejected, were not even given a chance. I do not believe that was the right thing done then, and I do not think it is the right thing now. I do think people in a principled fashion can vote one way or the other on Mr. Geithner, but I hope for the sake of our country they will vote to support him.

I believe that if Timothy Geithner is confirmed, it will largely be due to the fact that many on my side were willing to put partisanship to the side for the sake of what is best for the country at this time.

Looking forward, I see a real need for continued cooperation on a bipartisan basis. The current financial downturn affects all of us—everybody in America. I hope all Americans and their elected representatives can continue to put politics aside in our pursuit to find the best policies to help us out of this quagmire.

I expect we will be working closely with Timothy Geithner if he is confirmed today, as I expect he will be. Our expectations of him are very high. A less qualified or talented person might not have expected to survive this confirmation process. Even an equally gifted veteran might not have made it through a less turbulent and risky time.

Mr. Geithner, I just have to tell you, as you resume work on solving our thorniest financial problems, we send with you our best wishes even as we recall your pledge to give it your all because we are going to need everything you have.

Madam President, I reserve the remainder of my time.

I ask unanimous consent that a quorum call be entered and that all quorum calls during this debate on Mr. Geithner be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHAMBLISS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAMBLISS. Madam President, I rise today to speak on President Obama's nomination of Timothy Geithner to serve in his Cabinet as Secretary of the Treasury. Over the weeks since Mr. Geithner has been nominated, I followed closely the information regarding his background reviewed and discussed by members of the Senate Finance Committee. Additionally, I have been hearing from Georgians who are seriously concerned with the failure of Mr. Geithner to properly pay his taxes.

In this time—a time of such economic volatility and severe fiscal challenges the likes of which we, as a nation, have not seen in decades—there is no more important official or role in our Government other than the President himself and the Secretary of the Treasury. Furthermore, while facing these challenges, something our economy needs now is confidence in our leaders and in Government.

With the critical nature of the job, with the authority over the Internal Revenue Service, payment of necessary taxes in the required time parameters is essential.

I have listened to some of my colleagues who have indicated that but for these extraordinary economic times, they would find Mr. Geithner's mistakes disqualifying of his nomination. I believe extraordinary times call for extraordinary leaders, leaders who inspire and hold the confidence of the American people, a Secretary who must set the highest standard for the employees of the Department of Treasury and the Internal Revenue Service. For example, taken to its logical conclusion, taxpayers must know that the Internal Revenue agent with whom they are meeting has paid his or her appropriate taxes and that the agent's, ultimately, departmental superior, the Secretary, has paid his taxes fully and on time.

A week ago today, last Monday, I was coming through the Atlanta airport, and a gentleman walked up to me and introduced himself.

He said: I am a retired Internal Revenue Service employee who was going to send you an e-mail today, and you saved me from having to send you that

e-mail. During my tenure at the Internal Revenue Service, I was called upon to fire three separate people who committed exactly the same offense as Mr. Geithner committed.

This is not a criminal offense, but there are certain standards that must be adhered to. I know Mr. Geithner is extremely qualified. He is bright. I don't know what kind of replacement the President may come up with in lieu of Mr. Geithner. But at this point in our history, at this point as we change administrations and the people are looking to Washington for some clear and distinct evidence that things are going to be different, here we are making an exception to the rule. I simply think it is not the time to make that exception.

Last, I would say that this weekend I spent part of my time filling out IRS documents relative to an employee on whom I have paid taxes for years and years. Every year at this time, I fill out a schedule H, and I also fill out a W-2 form for that employee. I pay the taxes on that employee. I am getting ready to pay them as soon as I file my tax return, exactly as I have done for decades. That is the law. That is what we are required to do.

When we ask the people in this country to write that check on April 15 every year, a lot of them do not like to do it, but they do it. We need for them to know that the leadership at the Department of Treasury is called upon and does act exactly the way they have to act.

Needless to say, it is troubling to me that only after Mr. Geithner was nominated to this post did he realize his failure to pay his taxes while employed at the International Monetary Fund.

I, therefore, am standing here today to say that I am going to vote against this confirmation. Whether he is confirmed or not, I hope the President looks very closely at future nominees whom he sends to the Senate and insists that all of the individuals who are nominated comply with appropriate laws that they know exist.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Madam President, let me join my colleague from Georgia for some of the same reasons and for some reasons he did not mention. I declared some time ago that I would oppose the confirmation of Timothy Geithner for the position of Secretary of the Treasury.

First, I do not believe Mr. Geithner has been remotely candid about his tax issues. I think he has been less than forthcoming about all of the facts. For example, Mr. Geithner accepted compensation from his employer to offset taxes when he had never paid those taxes to begin with. And, having been informed about his oversight from the tax years 2003 and 2004, he never bothered to check for 2001 or 2002.

Now, I can tell you I am sure he did check, but he is denying he did. I can

tell you for the people in Oklahoma and across the country, very much like the people in Atlanta who were referred to by the Senator from Georgia, that small businesses or an individual who made an honest mistake on their taxes have found their Government's treatment of them slightly more aggressive than they have seen in their treatment of Mr. Geithner, a man about to lead the IRS.

It is one of those things that makes people so angry about their Government. The man who wants to be in charge of the IRS messed up with his taxes and got a pass from the Senate. Now, for as much as we talk about leveling the playing field, it sure looks as if we do not walk the walk.

I was very proud of one of our Senators in the hearing; that is, JOHN KYL. He spent a long time—he tried; I counted about 20 different ways. He was trying to ask the same question to get an answer. He never got an answer. But he did everything he could.

I emphasize my objection to Timothy Geithner's nomination to head the Treasury Department is not just about what we have been talking about—his tax problems and the tax issues. The matter which compels my coming to the floor is far more serious in my mind.

I want Senators to realize what a vote for Mr. Geithner really is. It is ratifying aggressive Federal Government intervention in the economy. It is the flippant use of billions of U.S. taxpayer dollars to prop up favored institutions and to pick winners and losers in the marketplace.

This has created a great uncertainty in the market, which is precisely what we do not want right now. I do not criticize anyone who voted in favor of the \$700 billion bailout. I looked at it. I saw we were giving the largest amount of money ever—you could use the word “authorized”—to one person, and that person being an unelected bureaucrat. There was no oversight responsibility from the Senate.

We were all criticizing Paulson. I criticized Paulson, the Secretary of the Treasury. But Geithner was there putting this thing together at the same time. Let me say not all Federal intervention during a financial crisis is created equal. The FDIC did a good job managing the biggest bank failure in U.S. history while we in Congress were all debating TARP.

What I object to is the midnight rescue packages, the ad hoc approach. I object to the “say one thing and do another thing” type of programs. I object to the complete lack of any policy framework, explanation of principles or coherent approach. I object to the absolute lack of any transparency whatsoever. I object to the indifference to the taxpayers' interests. Put very simply, I object to the bailout mania we have all witnessed.

I can remember when we did this matter, the \$700 billion bailout. When I was opposed to it, I made some statements. I said: We start bailing people

out, if that is the new policy of Government, who is going to be next in line? I think the airline industry; they have problems. I mentioned even the auto industry. Of course, we saw what happened. People got all ecstatic, even those who voted for the \$700 billion bailout. They were all upset about the fact that we were bailing out the auto industry.

That amounted to 2 percent of the \$700 billion. People lose sight when they hear big numbers. What I do when I am explaining it, so that I understand it and my 20 kids and grandkids will understand it and the people of Oklahoma will understand it, I try to put it in some kind of perspective to see how it affects us personally.

If you take the total number of families in America who file tax returns and divide that into \$700 billion, do your own math. It comes out to \$5,000 a family. That is huge. We have to understand we are not talking about their money when we talk about Government bailouts, we are talking about our money; and Geithner is all a part of this.

It all started with Bear Stearns a year ago. The initiator of the Bear Stearns deal was not Secretary Paulson or Chairman Bernanke, though, of course, they signed off on it. It was Timothy Geithner.

After the deal was announced, Robert Novak reported in his column that an unnamed Federal official confided in him at the time that "we may have crossed a line" in bailing out Bear Stearns. Mr. Novak wrote that it was an understatement, and that we would not know the ramifications of this decision for a long time. Well, now we understand.

We are now trillions of dollars past that line, and we are beginning to comprehend the course on which that decision has set us. I personally believe we are trillions of dollars past that line, and we are not much better off. I would say enough; the Government has gone too far, and under Mr. Geithner all indications are that we are not going to slow down anytime soon.

We need a change of course, and we need to finally, trillions of dollars later, find the strength to let those who made poor decisions bear some of the consequences, instead of the taxpayers. Timothy Geithner may take the helm of the Treasury Department at a time, if he is confirmed, when the Government has entangled itself into the economy to an unprecedented extent.

Given his strong support, stronger than by many accounts Secretary Paulson himself, for ad hoc bailouts of big firms, I cannot support this nomination. I think those people, and I know the people I talked to in Oklahoma because I am back every weekend—I call this going back and talking to real people, and they all look at this and say: Only in Washington could something like this happen, could we start with the \$700 billion bailout.

I would say this: Anyone who supported that at the time, if they want redemption, this is the time to get it because you can be redeemed by opposing Geithner in his confirmation. So, anyway, there are several reasons I hold for opposing his nomination, and I will act accordingly.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. THUNE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THUNE. I thank my colleague from Oklahoma for yielding. What is the present business before the Senate?

The PRESIDING OFFICER. The nomination of the Secretary of the Treasury.

Mr. THUNE. Thank you. That is the subject on which I wish to speak. I would start by saying our country is going through some very hard economic times. When you are going through hard economic times, you need several things to get through. You need the resolve and the resilience of the American people. You need the skill, the talents, and the creativity of America's best and brightest thinkers when it comes to solutions. You need wisdom from your political leaders. You also need one other thing from your political leaders: you need the presence of character. You need leaders who will lead by example.

Unfortunately, the hard times in which we find ourselves were borne of excess. We spent too much, we borrowed too much, and we saved too little.

Corporate CEOs saw fit to pay themselves huge bonuses while running their companies into the ground. Some very clever people found ways to create new financial instruments, such as credit default swaps, making enormous amounts of money for themselves on every transaction while exposing their companies and their shareholders to trillions of dollars in liabilities.

At the same time, Fannie Mae and Freddie Mac were running amok, making risky home loans that helped cause this economic crisis in which we now find ourselves. It is because of the excesses of the few that all of the American people are left holding the bag and are being called upon to clean up the mess.

Today we vote on whether to confirm a very smart, able, and skilled business leader to help lead America out of the mess we are in. No one questions Tim Geithner's intellect, his knowledge of financial markets, or his skill in managing complex business problems. He has, as many have said, the type of experience that is necessary to navigate the turbulent waters that lie ahead. I

believe he is smart. I believe he is talented. I believe he is experienced. But, as I said earlier, that is not enough.

There are lots of smart, talented, and experienced people who got us into this economic mess. It will take more than smarts, talent, and experience to get us out. It will take leaders who have the trust of the American people because they are willing to lead by example.

I don't know Mr. Geithner's state of mind when he made the mistake of not paying his payroll taxes between 2001 and 2004. He said it was "careless mistakes, avoidable mistakes." Perhaps so. But the one thing I do know is he should have known better, not just because he is a highly educated businessman who had prior service as a top-ranking official at the Treasury Department but because he was notified several times of his tax liability by his employer at the time and even signed documents acknowledging that he owed the taxes. Again, he should have known better. I don't judge Mr. Geithner as a person. None of us is perfect; we all make mistakes. We all need redemption. But as a Senator, I have a responsibility to vote. I have to vote on whether I believe Tim Geithner should serve as our next Treasury Secretary. As a Senator, I am concerned about the message Mr. Geithner's confirmation will send to the people. As Treasury Secretary, he will oversee the IRS and, therefore, be tasked with enforcing our Nation's tax laws. Yet for 4 years he failed to pay his lawful taxes after being informed of his obligation to do so. If I were to support this nomination, I don't know how I would explain such a vote to my fellow South Dakotans who work hard and pay their taxes every year, on time and in full.

As many of my colleagues have pointed out, these are extraordinary times, and they call for extraordinary leadership. I couldn't agree more. But leadership is about more than smarts; it is about more than skill. By all accounts, Mr. Geithner is a good man. I respect his willingness to serve. I expect he will be confirmed. And when he is, he faces a daunting challenge in stabilizing our financial markets and strengthening our economy. Once he is confirmed, I look forward to working with him to meet this challenge. I hope he is successful and we as a country are successful. But for the reasons I have stated, I cannot add my support to his nomination.

Mr. BYRD. Mr. President, the Senate has traditionally given the President, especially a new President, great leeway in choosing his Cabinet. I like to follow this practice when I can, as a matter of grace and in the spirit of cooperation, believing that a President has an understandable desire to want trusted advisors in his Cabinet who are sympathetic to his programs. But I also take very seriously the oath I swore to support the U.S. Constitution and to faithfully discharge the responsibility entrusted to each Senator in

advising and consenting to the appointment of all officers of the United States.

Some very serious questions have been raised about the President's nominee to be Secretary of the Treasury, Timothy Geithner, and his failure to pay Social Security taxes on income he earned at the International Monetary Fund—IMF—between 2001 and 2004. According to documents released by the Senate Finance Committee, Mr. Geithner recently filed amended tax returns for the years 2001–2002, 2004–2005, and 2006, reporting additional taxes and interest totaling \$31,536. In addition to adjusting his claims for certain expenses and credits, Mr. Geithner paid Social Security taxes on income he earned at the IMF from 2001 through 2002. This follows an audit by the IRS in 2006, when Mr. Geithner was required to pay Social Security taxes for income earned in 2003 and 2004, totaling an additional \$16,732 in taxes and interest. At the time of the 2006 audit, Mr. Geithner chose not to pay the Social Security taxes he owed for 2001 and 2002, apparently because he had been advised that the statute of limitations had expired requiring the payment of those taxes.

I believe Mr. Geithner when he expresses regret for his failure to pay these taxes, but that doesn't explain why the failure happened. This embarrassing "mistake" occurred despite Mr. Geithner receiving annual and quarterly documents from the IMF and signing annual tax allowance requests that were supposed to serve as reminders about his tax obligations. He also failed to pay these taxes despite having accountants review his tax filings, and despite using software to prepare his tax returns. He only paid these taxes in full after being selected to be Treasury Secretary.

Had he been nominated to head almost any other position, perhaps this might not seem so egregious. But this matter seriously undermines Mr. Geithner's credibility to be the Nation's top tax enforcement officer. It suggests serious negligence on his part and creates the impression of someone trying to game the system. Mr. Geithner showed poor judgement in waiting so long to pay these taxes, and then doing so only because it became a political necessity. Certainly most American taxpayers do not have that luxury.

Whatever his qualifications and talents for addressing the banking problems that are plaguing our economy, I cannot in good conscience vote to confirm this nomination.

I yield the floor.

The PRESIDING OFFICER (Mrs. SHAHEEN). The Senator from Connecticut.

Mr. DODD. Madam President, I rise to speak in support of the nomination of Timothy Geithner to serve as our Nation's Treasury Secretary. I believe most Americans, regardless of political persuasion or how they voted in No-

vember, would agree that we are living in probably the worst economic crisis of their lifetime. You would have to have been alive in the 1920s to remember days that even resemble the ones we are in today. So this afternoon, in the moments before we are about to vote on this nomination, I rise to express my views.

I know Tim Geithner. I wouldn't ask my colleagues to support his nomination because I know this person, respect and admire him and think he is qualified to serve as Treasury Secretary. I am asking my colleagues to support him because he is one of the most talented people I have met in the area of financial services and in understanding the regulatory architecture that not only exists today but the one that we must create in order to get our country back on its feet again. While there are certainly issues raised, including the one raised a moment ago about back taxes—and I don't minimize that—it is also extremely important that we keep this nomination in perspective and that we understand the issues at hand. While I have served here for the last quarter of a century, I can only count on less than one hand the number of nominations I voted against in Democratic and Republican administrations. Not because I have agreed with all of them but because I happen to believe that administrations that are elected deserve to have the official family they choose, barring disqualifying concerns about a nominee's ability to serve. To be sure, a nomination to the President's Cabinet is worthy of congratulations, and I congratulate Mr. Geithner. But with our economic trouble so severe and our future so uncertain, this nomination deserves less our congratulations than our very best wishes and commitment to work in partnership.

Mr. Geithner's arrival at Treasury could not come at a more critical moment for our Nation. It comes on the heels of excessive unchecked financial practices that have brought our economy and the world's economy to its knees. Next to the President himself, no single individual will bear more of a responsibility to steer our Nation out of this crisis than the new Treasury Secretary. Charting a course of recovery requires understanding the causes of the crisis in the very first instance. As chairman of the Banking Committee, I have convened more than 80 hearings and markups in the last 24 months to help diagnose and remedy our Nation's economic troubles. It is not a responsibility I sought, nor one which I relish. Certainly, I would much rather be talking about how to grow our economy than how to save our economy, but that is where we are today.

We have an obligation, all of us, regardless of party or ideology, not only to determine how we got into this situation, but also—and more importantly, in many ways—what is needed to get us out of it.

It is by now beyond dispute that the current crisis threatening our economy started several years ago in a relatively discrete corner of the credit market known as subprime mortgage lending. Federal Reserve Chairman Bernanke, previous Treasury Secretary Hank Paulson, and many other individuals have all agreed on that fact. There is no dispute about it. Mortgage market participants from brokers to lenders to investment banks to credit rating agencies exploited millions of unsuspecting, hard-working Americans seeking to own or refinance a home. It is clear that greed and avarice overcame sound judgment and prudent lending. But what makes this crisis different from others was the abject failure of regulators to adequately police the markets. Regulators resisted the call to regulate new markets and financial instruments, even when they had the tools to do so.

The Federal Reserve, for example, ignored a power granted by Congress over 14 years ago to regulate mortgage markets, State-chartered and federally chartered lending institutions. Not a single regulation was ever promulgated under the Bush administration until the problem was well out of hand. This wasn't a matter of there not being enough laws on the books—quite the contrary—but, rather, a matter of regulators failing to enforce the ones they had been given. What resulted was a regulatory failure of historic proportions.

Of the many lessons learned from this crisis, the most revealing is that the failure to enforce consumer protections can lead to the failure of the entire financial system. For decades, ideology prevented regulators from acknowledging this fact. It takes a crisis, unfortunately, of global scale to understand the dangers of failing to protect consumers. It is now painfully clear that when American households are preyed upon in such systemic and abusive ways, our entire financial system is threatened. Never again should we allow financial regulators to treat consumer protection as a nuisance or of secondary importance to safety and soundness regulation. Never again should we permit the kind of systemic regulatory failures that allowed reckless lending practices to mushroom into a global credit crisis.

The safety and soundness of our financial system depends upon the well-being of the customers and investors who use that system every day. Unfortunately, most of the Government actions taken in recent months have largely ignored this fact and have addressed the symptoms of the credit crisis rather than its root causes. For nearly 2 years now, I have urged, along with others, forceful and definitive action to reverse the rising tide of foreclosures that began to chip away at American households in 2007. In fact, it was exactly 2 years ago next week, I had chaired the Banking Committee for only one month, when we held the

very first hearings on the mortgage credit crisis, in February of 2007. For 2 long years, we had hearings and meetings and countless efforts to try and convince the administration of the seriousness of what was happening in the residential mortgage market. Not until last summer did we finally get some recognition, but it was far too late at that point.

All of my colleagues can recount in great detail the events that cascaded since July through the fall of this past year. Noted economists and analysts from across the political spectrum have also sounded the alarm, including such distinguished individuals as former Carter and Reagan Fed Chairman Paul Volcker, Nobel Prize winners Joseph Stiglitz and Paul Krugman, former Reagan chief economic adviser Martin Feldstein, and American Enterprise Institute Resident Fellow Alex Pollack. These and other experts agreed that the key to our Nation's economic recovery is recovery of the housing market and that the key to recovery of the housing market is, of course, reducing foreclosures, of which nearly 9,000 occur every day.

Without addressing the cause of this crisis as swiftly, aggressively, and decisively as we have tackled the symptoms of the crisis, home prices will continue to fall. The value of assets based on mortgages—trillions of dollars of which are on the books of our major financial institutions—will continue to be virtually unknowable. The longer we allow foreclosures to erode family wealth, tear apart neighborhoods and freeze our markets, the longer our economy will take to recover from this crisis. However hard our regulators work, the result will be a continuation of volatility and paralysis in our economy. If ever there was a time that called for new thinking, this is that moment. As Tim Geithner takes the helm of the Treasury, he will be responsible for leading administration efforts to revitalize the credit markets and restore confidence and integrity in our financial system. It is a tall order, to be sure. No one could assume that one individual is going to solve all of this. But in my view, we can achieve these results for the American people through four key steps.

First, Mr. Geithner and the rest of the administration's economic team must develop and clearly communicate a long-term, comprehensive plan, a framework for using TARP funds to support the financial system and communicate effectively to the American people so they understand exactly where we are, how we got here, and what the intended steps are to move us out of it. The previous administration's piecemeal lurching intervention from one side to the next in the financial system contributed to the confusion and the volatility that has dragged down consumer and investor confidence. Outlining a clear direction as to how the Government will use taxpayer money going forward would pro-

vide families and businesses with the clarity and assurance they need to make important economic decisions.

Second, we must safeguard the use of taxpayer money through increased transparency and strengthened taxpayer protections. Instead of lending money to consumers and small businesses, TARP recipients have effectively been given a free pass to hoard taxpayer funds and pay lavish bonuses to senior executives and handsome dividends to shareholders. In order to provide meaningful taxpayer protection, I believe at least the following conditions are necessary: stricter limits on executive compensation, additional limits on executive compensation, including restricting the payment of bonuses to executives; strictly limit dividends, prohibit the payment of dividends to shareholders beyond de minimis amounts; establish appropriate lending targets for recipients of TARP funding and the means of monitoring them; limit acquisitions, prohibit the use of TARP funds to purchase healthy institutions; increase transparency and accountability, require that TARP recipients submit regular reports no less than quarterly specifying how they are using TARP funds or otherwise furthering the purposes of the emergency economic stabilization law and how they are complying with these TARP conditions. These reports should include information about consumer and commercial loans, details about acquisitions, and the number and type of loan modifications. We must implement measures to prevent foreclosures, which I should have listed at the top of the list, require recipients of TARP funds that service or own mortgages to take measures to mitigate preventable foreclosures and use TARP funds to establish or support foreclosure prevention programs.

The Obama administration is already committed to making these changes and is working on a more detailed strategy. I look forward to reviewing that plan and to continuing the committee's close and detailed oversight of the implementation of this program. That is why I intend to hold hearings on the TARP in the coming weeks and to ask the very questions I am raising this afternoon.

Third in this list is to apply the same sharp and urgent focus to help individual homeowners whose plight is the root cause of this crisis. Stopping foreclosures must be our top priority, putting a tourniquet on this hemorrhaging that is occurring across the country. Failing to do so will have devastating consequences for the economy.

Finally, to fix the failures in the regulatory system that led to this crisis, if we are going to regain the confidence of investors, consumers, and businesses at home and around the world, we must have assurances that our financial institutions are properly capitalized, regulated, and supervised.

The Senate Banking Committee has already begun an ambitious schedule of

meetings and hearings to understand the strengths of our regulatory system and to address forcefully its weaknesses. Senator SHELBY and I welcome diverse parties and points of view. I am guided by several core principles: Regulators must be strong cops on the beat rather than turn a blind eye to reckless lending practices; regulators must stop competing against each other for bank and thrift "clients" by weakening regulations; regulators must be able to identify and, if necessary, take action against risks at the institutions they supervise; regulators and market participants need more transparency so they understand the risks present in the financial system and to prevent trillion-dollar markets from operating in the dark.

Each one of these steps—communicating a long-term plan for Government assistance, strengthening transparency and taxpayer protections, preventing avoidable foreclosures, and fixing regulatory failures—will help not only our economic recovery but also help restore, most importantly, the confidence of the American people. You cannot enumerate confidence, but it is critical. I can not tell you exactly the mathematical formula that will get you there, but in the absence of these steps, I do not believe confidence will be restored, and that is the intangible quality more than any other that we need to regain for investors and for the American people, who have been the driving force for our Nation's innovation and productivity.

I commend Tim Geithner for taking on this extraordinary responsibility. In many ways, you wonder why he is willing to do it, considering the incredible problems we face. But we are fortunate to have a talented individual who is willing to step up and assume this responsibility. Rather than decrying it and lambasting him, we ought to be thanking him. None of us are perfect. Every one of us has made mistakes along the way, and to suggest that Tim Geithner is unqualified for this job or should not be confirmed because of his tax issue is to fail to understand the value his nomination is to our country.

My hope is my colleagues will do what I have done over the years. I have been highly criticized by people in my party. When I voted for John Ashcroft to be the Attorney General, I was highly criticized. When I voted for John Tower to be the Secretary of Defense, I was highly criticized. But I happen to believe Presidents deserve their teams to be in place to do their job.

Tim Geithner is the kind of individual we need. He will listen to people. He will pay attention to different points of view. And he can make a difference for our country. In an hour such as this, we ought not to be divided in this Chamber, but to stand united, to give this young man a chance to get a job done for our Nation at one of the most critical periods in our history.

We have a lot of work to do, and we ought to get about the business of

doing it, not as Democrats or Republicans but as Americans. I urge my colleagues to support this nomination. At this moment, communication, cooperation, and consultation are not only preferable as we steer our country through these tough times, they are absolutely essential.

I look forward to Tim Geithner's confirmation and to working with him, as I do my colleagues, Democrats and Republicans, along with our new President. This is a defining moment in our history, and restoring our economy is our defining challenge. I believe Tim Geithner is the right person to begin this effort.

Madam President, I urge the confirmation of Tim Geithner, and I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, my good friend, the senior Senator from Iowa, has allowed me to go before him, and I appreciate it. He has been waiting here patiently on the floor. I have a few remarks I wish to make regarding Mr. Geithner.

In this time of economic crisis, I want to add my strong support for President Barack Obama's nominee for Secretary of Treasury, Timothy Geithner.

In the past month, some of our country's largest corporations have announced major layoffs numbering in the hundreds of thousands. On the news this morning, major layoffs have been announced throughout America. Today, it is hard to comprehend, but the Nevada Department of Employment reported unemployment in the State has jumped to 9.1 percent. The foreclosure crisis has not eased. The credit crunch persists. Uncertainty continues to reign on Wall Street, draining pension funds and individual investors of their savings and blocking the flow of credit for families and businesses that need it so badly.

This powerful economic storm that we have never seen before demands strong, decisive, and wise leadership. No one, in my opinion, is more qualified or prepared for the task than Tim Geithner. He has spent his entire career as a public servant. He has worked at the Treasury Department, the International Monetary Fund, and the Federal Reserve Bank of New York. With his experience and expertise, Tim Geithner could have written his own financial ticket to the private sector anytime of his choosing and made huge amounts of money. But in an age that has been tarnished by corporate greed, I think it is refreshing—and we should all feel that way—to see a man of obvious gifts choose to lead a life of public service. Has he made mistakes? He acknowledged that. Were there mistakes he made that any one of us could have made? Of course.

He was part of the core team that designed the Government's response to the Asian financial crisis in the late 1990s, as well as the current crisis. At

the New York Fed, he worked with Secretary Paulson and Chairman Bernanke. He has seen the crisis unfold, as well as the initial Bush administration's response. I think he is uniquely suited to know the difference between what has worked and what has failed. Some has worked and a lot has failed.

During his confirmation hearings and in meetings with Members in recent weeks, Tim Geithner has shown a calm temperament and an eagerness to listen and cooperate with Congress. He clearly recognizes that Congress is an equal partner and that it will take a unified effort to right our economy. Just as important, he understands that part of what we face is a crisis of confidence and that the public's confidence cannot be restored without transparency, oversight, and taxpayer protections.

There are few who envy the road ahead for the next Treasury Secretary. There will be no easy fixes or cheap answers, but no one is better prepared today than Tim Geithner to fill this critical role.

This nominee has my support, and once he is confirmed, I expect him to have the support of Congress in the difficult months and years ahead. I hope the support and I am confident the support will come from my colleagues on the other side of the aisle. There are some who may choose not to vote for him, but I would hope that after this confirmation takes place, we will all join to help this good man try to bring our country back to financial security once again.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, thank you. For at least as long as Chairman BAUCUS and I have served as the leaders of the Finance Committee, and certainly during those times I was chairman, all individuals nominated by the President who were subject to the jurisdiction of the Finance Committee have been subject to a thorough and nonpartisan vetting process. In addition to filling out a detailed committee questionnaire, all nominees submit tax returns and the committee is provided with financial disclosures. The review of these documents has nothing to do with the nominee's political affiliation or policy goals.

The Finance Committee's nomination process is there to ensure basic compliance with the law and to confirm that these individuals can be trusted with the incredible responsibilities that come with public service.

My vote on this nominee will be a vote of confidence in the Finance Committee's vetting process; it is a vote for the importance of character and integrity in those who serve; and, specifically, it is a vote for treating Presidential nominees, and all people, in a consistent manner.

This nominee is not the first nominee to run aground on the Finance Committee's vetting process. There are

other individuals who, after lengthy discussions with Senator BAUCUS, me, and committee staff, decided to withdraw from consideration.

In these situations, the Finance Committee keeps details learned during the vetting process private. In cases where the nominee decides to go forward, such as that of this nominee, the committee makes details public in the interest of transparency and good government. I believe the public's business ought to be public. Sometimes when details are disclosed the nominee is confirmed and sometimes the nominee is not confirmed. In these situations, Members have to judge the seriousness of the issues at hand, and the nominees have to judge how far they are willing to go. Consequently, if the nominee decides to move ahead, the information will be released.

However, in the past, nominees who had tax issues as serious as this nominee's, and some who have had less serious issues, have not attained Senate confirmation.

I feel it is improper to judge this nominee by a different standard. I realize that economic times are tough right now, but, if anything, that should be an incentive for us to raise our standards and not lower them.

Finally, I believe we also need to treat all people in a consistent manner. The same Internal Revenue Code applies to everyone regardless of whether someone is a well-known Wall Streeter or a student earning minimum wage. Many people around the country who have not satisfied their tax obligations have been caught by the IRS, as this nominee was for tax years 2003 and 2004. Many people end up having their houses seized, bank accounts frozen, and other assets taken by the Government to pay their tax debts. Some people even go to jail.

There are many people who settle their liabilities without going to jail or having assets seized, but can this system operate with integrity if all parts of it report to someone who was unable for a long period of time to meet his own tax obligations and only did so as a condition of his nomination?

Finally, I want to mention differences of perception of different people who have been found to have unsettled tax liabilities. During last year's Presidential campaign, we read a lot about a man named Joe the Plumber who hailed from Ohio. When this man was found to have a tax lien for State taxes, some portrayed it as evidence that his opinions on national tax policy were irrelevant. However, this nominee's tax problems have been revealed to be much larger than Joe's, and this nominee's defenders still insist he is the only man for the job of Treasury Secretary.

Madam President, I ask unanimous consent that an article discussing this inconsistency by Jonah Goldberg appearing in National Review Online be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the National Review Online, Jan. 23, 2009]

A FREE PASS FOR THE INDISPENSABLE MAN
(By Jonah Goldberg)

During the hothouse days of the presidential campaign, Joe Wurzelbacher became famous because he got Barack Obama to confess that he likes to spread the wealth around. Better known as Joe the Plumber, the Toledo, Ohio, laborer became the target of bottomless venom and scorn because he seemed like an obstacle to Obama's coronation.

One of the main talking points, particularly among left-wing bloggers, was that Wurzelbacher was a tax cheat because, it was revealed by ABC News, he had a tax lien of \$1,182 for back Ohio state taxes. This fueled the argument that he was a fraud, his opinion didn't matter. Nothing to see here, folks. Move along.

Fast-forward to today. Timothy Geithner, President Obama's choice to be the next treasury secretary, quite clearly tried to defraud the government of tens of thousands in payroll taxes while working at the International Monetary Fund. The IMF does not withhold such taxes but does compensate American employees who must pay them out of pocket. Geithner took the compensation—which involves considerable paperwork—but then simply pocketed the money.

His explanations for his alleged oversight don't pass the smell test. When the IRS busted him for his mistakes in 2003 and 2004, he decided to take advantage of the statute of limitations and not pay the thousands of dollars he also failed to pay in 2001 and 2002. That is, until he was nominated to become treasury secretary.

Obama defends Geithner, saying that his was a "common mistake," that it is embarrassing but happens all the time. My National Review colleague Byron York reports that, at least according to the IMF, Geithner's "mistakes" are actually quite rare. Indeed, it's almost impossible to believe that the man didn't know exactly what he was doing given that he would have had to sign documents, disregard warnings, and all in all turn his brain off to make the same "mistake" year after year. And keep in mind, Geithner is supposed to run the IRS. So maybe sloppiness isn't that great a defense anyway.

The bulk of Senate Republicans seem willing to green-light his appointment because, in the words of many, "he's too big to fail." Wall Street likes this guy and so does Obama. So, who cares if he breaks and bends the rules? Who cares that he took a child-care tax credit to send his kids to summer camp? He's the right man for the job, no one else can do it, he's the financial industry's man of the moment.

This strikes me as both offensively hypocritical and absurd. Obama has made much of Wall Street greed. He and his vice president talk about paying taxes like it is a holy sacrament. They both belittled Wurzelbacher for daring to suggest that the Democratic Party isn't much concerned with how the little guy can get ahead.

Heck, Obama and pretty much the entire Democratic party insist that they speak for the little guy. But it appears they fight for the big guys.

You would think this is a perfect moment for Republicans to stand on principle, particularly since their votes aren't needed to confirm Geithner. What they will tell you is that Geithner is the indispensable man and, in the words of South Carolina Sen. Lindsey

Graham, "These are not the times to think in small political terms."

Never mind that there's nothing small about the belief that paying taxes in an honest fashion is a minimal requirement for the job of treasury secretary. What's absurd is that Geithner, who helped regulate Wall Street as head of the New York Fed, is the indispensable man now. He may indeed be qualified to be treasury secretary, but is he really the only man who can do the job? Really? Everyone said the same thing about Hank Paulson not long ago. How'd that work out?

I thought the Democrats believed the financial implosion was caused by arrogant and greedy men who thought the rules didn't apply to them because they were so important. I guess they didn't mean it.

Mr. GRASSLEY. I don't make this decision lightly, but, as I have said, I must uphold the Finance Committee's vetting process; I must vote for the importance of character and integrity in those who serve in government; and I must vote for treating Presidential nominees, and all people, in a consistent manner. Therefore, I must vote against this nominee, Mr. Geithner.

Madam President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SESSIONS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS. Madam President, I ask to be notified after 5 minutes.

The PRESIDING OFFICER. The Chair will so notify you.

Mr. SESSIONS. Madam President, I don't look forward to criticizing the nominee, Mr. Geithner, for the Secretary of the Treasury. It is not something I take any pleasure in. I will vote for 98 percent of the nominees of President Obama. I believe he is entitled to select good nominees to serve, and he gets to basically choose whomever he wants.

I would say the American people are unhappy. They are unhappy about Wall Street. They are unhappy about the way this financial system has been conducted, and one of the individuals at the very center of it is Mr. Geithner, the nominee to be the Secretary of the Treasury, a position that now has incredible authority and the power to distribute \$350 billion virtually any way that individual citizen wants to spend it. It was a mistake for Congress ever to give that kind of power to Mr. Paulson or to Mr. Geithner or whomever the Secretary of the Treasury would be.

Let me say quickly, as a former Federal prosecutor, I am not taken in by the idea that this tax problem is a minor matter. The Secretary of the Treasury supervises every Internal Revenue agent in America. The Treasury Department has the IRS inside it.

The International Monetary Fund, for which he worked starting in 2001, sent out this brochure about the tax al-

lowance system that says: The Fund pays the difference between your U.S. self-employment tax, which is the Social Security tax that self-employed citizens pay. You pay the employee's share of the Social Security taxes as you would be required to do if you worked for any U.S. employer.

Then it says down here: And a tax allowance is added to help cover the income taxes you owe.

You get a special tax allowance. How do you get this tax allowance if you work for the International Monetary Fund? You make an application. The form says: Tax allowance application. You apply for it. You sign at the bottom that says you want the money. What does it say that you certify above your signature? You certify that I will pay taxes on my Fund income. I authorize the Fund of individual staff members designated by it for the purpose to ascertain from the appropriate tax authorities whether tax returns were received. I hereby certify that all the information contained herein is true to the best of my knowledge and belief and that I will pay the taxes for which I have received tax allowance payments from the Fund.

So he seeks a tax allowance application. He certified that any money he gets for this he understands is for tax purposes, and he will pay it. That is the certification form. I have blown it up on this chart. It says, again, I certify I will pay the taxes for which I have received the tax allowance.

Now, that was done four times. He personally signed it. That is his signature at the bottom, with his room number, in his hand, and his phone number, in his hand—4 different years.

I see Senator KYL, and I will yield to him because I am sorry we don't have much time. In his examination, Mr. Geithner left me with a feeling that he was not candid.

Finally, let me say this. I believe the American people want a Secretary of the Treasury who was not in the middle of the problem in New York as head of the Federal Reserve Bank when it occurred and who gave no warning to the American people whatsoever that this was about to happen. The Wall Street Journal recently had six investment experts on the front page who predicted this would occur. Where was Mr. Geithner? The same place as Mr. Paulson: asleep at the switch. Based on merit, I don't believe this is what the American people want. The American people desire to have a professional of knowledge, an economically trained person with financial experience and impeccable integrity. I am sad to say, I don't believe Mr. Geithner meets that standard.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Madam President, I thank the Senator from Iowa for allowing me to speak very briefly. I had intended to support Mr. Geithner's nomination. He

is not the only person who can do this job, but he is the President's choice and is entitled to some deference and I actually believe he will give the President some good advice.

However, there must be an element of trust between us, based on candor and forthrightness. Secretary Paulson and I trusted each other and it benefited both of us for the benefit of the American people, I believe. Unfortunately, Mr. Geithner, in his appearance before the Finance Committee, I believe did not demonstrate the requisite candor in answer to our questions. As a result, I therefore regret I cannot support his confirmation.

The PRESIDING OFFICER. Who yields time?

The Senator from Iowa is recognized.

Mr. HARKIN. Madam President, I regret to say I will be voting against the nomination of Timothy F. Geithner to serve as Treasury Secretary in the new Obama administration. I say "regret" because I believe strongly that, save extraordinary circumstances, any President should have the right to select his own team and because I believe Mr. Geithner is a person of obvious talent and experience. I certainly bear no ill will toward him on a personal basis whatsoever. Moreover, I know President Obama believes Mr. Geithner is the best person for the job, and it pains me to go against the President's wishes on this matter. However, after careful deliberation, I simply have not been able to overcome my very serious reservations about this nominee.

As Treasury Secretary, Mr. Geithner would oversee the Internal Revenue Service and would be responsible for ensuring that Americans pay their taxes as required by law. Yet it has come to light that while he was serving as a senior official at the International Monetary Fund, Mr. Geithner failed to pay Social Security and Medicare taxes. He has stated this was an innocent mistake and that there was no intent to deliberately avoid paying the required taxes.

However, the IMF informs us that in order to avoid exactly this kind of situation, its U.S. citizen employees are fully informed of their obligation to pay Social Security and Medicare taxes and must sign a form acknowledging that they understand this obligation.

Moreover, the IMF gives its U.S. citizen employees quarterly wage statements that detail their U.S. tax liabilities. The IMF pays its U.S. citizen employees an amount equal to the employer's half of the payroll taxes with the expectation that the individual will use that money to pay the IRS.

So a serious question is raised as to how a person of Mr. Geithner's financial sophistication could run the gauntlet of these many warnings and quarterly reminders and still somehow innocently overlook his obligation to pay these payroll taxes.

I am also troubled by the fact that when the IRS audited Mr. Geithner in 2006 and discovered that he had not

paid his payroll taxes from 2001 to 2004, he, Mr. Geithner, repaid the taxes only for 2003 and 2004. After that audit, he chose not to repay the taxes for 2001 and 2002, years for which the statute of limitations had expired.

Surely, if the failure to pay the payroll tax was an innocent mistake and oversight, then Mr. Geithner would have been eager to make amends by willingly paying the payroll taxes for 2001 and 2002, regardless of the statute of limitations. But he chose not to do so until he learned he was going to be nominated for Treasury Secretary.

Given this record of failing to pay taxes, if confirmed as Treasury Secretary, how could Mr. Geithner speak with any credibility or authority as the Nation's chief tax enforcer? Would his admonition be: Do as I say, not as I do? That is not acceptable.

Unfortunately, on another point, Mr. Geithner has been equally unwilling to accept responsibility with regard to his role in the current financial meltdown. As president of the Federal Reserve Bank of New York, Mr. Geithner was a key regulator of the large, mostly New York-based financial institutions that have been at the center of this meltdown. Their reckless practices—reckless practices—have brought America's financial system to its knees, pitching our economy into what could be the longest, deepest recession since the Great Depression.

I am specifically concerned about Mr. Geithner's history vis-a-vis Citigroup, which has now received \$52 billion in taxpayer money. As a regulator of Citigroup, Mr. Geithner made a number of troubling decisions that relaxed oversight of Citigroup, including, one, lifting a prohibition against Citigroup's acquiring new firms; second, ending the requirement that Citigroup file quarterly risk management reports; and third, allowing Citigroup to use "hybrid capital," which, I might parenthetically say, was a product of the Greenspan Fed back in 1996—using hybrid capital to prop up its capital base. These decisions allowed Citigroup to increase its already sizable risks and allow Citigroup to claim that it had a healthier capital ratio.

I am troubled that instead of taking enforcement actions in the face of a weakened capital ratio, Mr. Geithner chose only to write a letter to Citigroup criticizing its risk management practices. I bet they shuddered when they got that letter.

Given this action, it is clear that Mr. Geithner was aware that Citigroup's capital base was not sufficient. Yet he did not take the appropriate steps to correct this glaring problem; he wrote a letter.

While I would be much more supportive of the nominee if he had taken responsibility for these failed decisions, he has not done so. For example, in a written response to questions from Senate Finance Committee Chairman BAUCUS, Mr. Geithner wrote:

Citigroup's supervisors, including the Federal Reserve, failed to identify a number of their risk management shortcomings and to induce appropriate changes in behavior.

He says Citigroup's supervisors, including the Federal Reserve, failed. Why didn't he say "I"? Why didn't he say Citigroup's supervisors, including me as the head of the New York Federal Reserve Bank, I did, I failed to identify those risk shortcomings, and I failed to induce a change in their behavior? He says it is the Fed. He was the head, he was the person making those decisions. And yet he kind of brushed his hands and said: That was the Fed. No, Mr. Geithner, it was you.

We need to know what specific failures occurred under his supervision, what he has learned from those failures, and how the nominee believes he can correct them in the future. After all, again, Mr. Geithner was the key decisionmaker in the Federal Reserve on these points.

Without the answers to these questions, I am not convinced that Mr. Geithner is the right person to lead the Treasury Department at a time when we need a strong regulator in charge, one who will act with transparency and accountability and forcefulness.

I am sure these big bankers and these Wall Street people are nice people, but they are tough and they are going to protect their turf. Yet what they don't need is a Treasury Secretary who is going to write them a letter. We need a Treasury Secretary who will start banging some heads around and will stick up for our small bankers, our independent bankers, the people in your State, Madam President, and mine who are out there loaning the money for small businesses and small business expansion, who are getting mortgages on houses that have 30-year fixed rates, they are conservative about it. We don't need to focus all of our efforts and money on the big city banks and then allowing the big city banks to get bigger by buying up other banks with taxpayer money.

I want a Treasury Secretary, as I say, who is going to start banging some heads, who is going to call in these big city bankers and say: You know what, you have had a free ride for many years. We have deregulated you. We deregulated all these financial institutions. We have allowed you to engage in what I call—this is my own term—"casino capitalism." But it is over. It is over. You are now going to be regulated, and I am going to lead the charge in imposing stiff new regulations. We are going to be looking over your shoulder, and we are going to make sure you are accountable to the taxpayers of this country.

The issues of responsibility and judgment are extremely important as we go forward. Two weeks ago, I voted in favor of releasing the second installment of the TARP funding, but it was after several phone calls with now-Vice President BIDEN when he assured me—and I spoke about this on the floor; he

said I could say it publicly—that President Obama will sign off personally on any significant future disbursement of TARP money and Vice President BIDEN will be consulted and be a part of it.

So now at least we know where the buck stops with President Obama. I am glad he is willing to say the buck does stop there. Yet here is what bothers me. If Mr. Geithner is confirmed, he will be the principal person making recommendations to President Obama regarding TARP expenditures. In short, President Obama will sign off on future disbursements, but he would do so on the recommendation and judgment of Mr. Geithner.

I wonder, I really wonder what that means for some of these big city banks in New York and what is going to happen with Wall Street and what is going to happen to my small banks in Iowa or independent banks all over this country. What is going to happen to our farmers who need an adequate supply of low-cost capital coming up this spring. And they are having a hard time finding it, by the way. They are in a terrible cost-price squeeze right now.

Is all that TARP money going to be focused on the big banks or are we going to start thinking about the little guy out there?

Mr. Geithner made serious errors of judgment in failing to pay his taxes. He made serious errors in his job as chief regulator of the financial institutions at the heart of our current crisis. So at this point, I cannot vote to promote Mr. Geithner to the all-important post of Treasury Secretary. I cannot do so at this time.

As I told Mr. Geithner on the phone, I bear him no ill will. I do not know him personally. I have friends who say he is a very nice person, and I am sure he is. But I wonder, again, about his approach. As I told Mr. Geithner on the phone, I hope I can come back to the floor a year from now, 2 years from now and say my vote against him was wrong. I hope I can do that, but I will have to be shown.

There is no question Mr. Geithner will be confirmed by an overwhelming vote in the Senate. As I said, I bear him no ill will personally or anything else. I wish him every success as Treasury Secretary. To repeat what I said, nothing would make me happier than for Mr. Geithner to prove me wrong by serving with distinction as Treasury Secretary and cracking down on some of this casino capitalism that is going on in this country. I will be joining those rooting for his success.

Mr. COLLINS. Madam President, I rise today to state my opposition to the confirmation of Timothy Geithner to be Treasury Secretary.

Our current economic crisis is, in part, a crisis of confidence. If we are to return to prosperity, the American people must have confidence in those who would chart our course. Mr. Geithner's professional background and experience should inspire that confidence. They are overshadowed, how-

ever, by the personal issues regarding his own tax returns.

When these issues first arose, they were cited as examples of the baffling complexity of our Tax Code and of the need for reform. They were described by the nominee himself as "careless mistakes." As more details have emerged, it has become clear to me that this is not merely a matter of complexity leading to mistakes, but of inexcusable negligence.

Mr. Geithner failed to pay self-employment taxes while working for the International Monetary Fund. He failed to make these tax payments despite the fact that the IMF repeatedly reminded him of this obligation. He signed paperwork acknowledging this obligation. He received extra compensation that he acknowledged at the time was for the purpose of paying this obligation. Yet when he filed tax returns for the years he was employed at the IMF, he did not pay self-employment taxes.

After working for the IMF for 3 years, Mr. Geithner was audited by the Internal Revenue Service in 2006, which discovered that he had failed to pay his self-employment taxes. Mr. Geithner was ordered to correct his tax returns for 2003 and 2004, and he paid the amount that he owed for those years.

But Mr. Geithner had made the same omission in 2001 and 2002, years that were outside the scope of the audit. Yet, having been informed by the IRS of his omission for 2003 and 2004, Mr. Geithner took no action to correct the deficiency from 2001 and 2002—years for which the statute of limitations had already run. In fact, Mr. Geithner chose not to make the payments until he was being considered for this position at the end of 2008.

A similar failure to correct omissions when informed of them occurred when the accountant who prepared Mr. Geithner's tax returns in 2006 informed him that certain deductions Mr. Geithner had taken for 3 earlier years were not allowed. These deductions involved writing off overnight camps as childcare expenses. Mr. Geithner did not attempt to claim the deduction for 2006 but did not correct his returns for the previous years. And again, this deficiency was not addressed until late last year, when Mr. Geithner was being considered for this Cabinet position.

Madam President, throughout the State of Maine and indeed throughout the Nation, millions of hard-working Americans pay their taxes on time and in full. Our taxation system is essentially an honor system that depends on self-assessment and honesty. When taxpayers make mistakes, they are expected to correct them promptly and completely. How can we tell the taxpayers that they are expected to comply fully with our tax laws when these laws have been treated so cavalierly by the person who would lead the Treasury Department and, ultimately, the Internal Revenue Service, when he was applying them to himself?

Therefore, Madam President, I must oppose this nomination.

Mr. MCCAIN. Madam President, I regret that I must oppose the nomination of Timothy Geithner to be the next Secretary of the Treasury. I assure my colleagues, I did not reach this decision lightly but, rather after much thoughtful consideration. Next to the confirmation of Supreme Court Justices, the Senate has no more important duty than the confirmation of members of the President's Cabinet. Throughout my time in this body I have held the view that elections have consequences and that—barring any extraordinary circumstance—the President should be free to pick his team and surround himself with those he feels can best assist him in attaining his goals.

Mr. Geithner's involvement in the failed policies behind the misuse of hundreds of billions of taxpayer dollars in the Troubled Asset Relief Fund, TARP, has led me to conclude that an extraordinary circumstance exists in this situation. Mr. Geithner played a critical role in the creation of the TARP and should be held accountable for the fact that it has been terribly mismanaged and has not achieved its intended results. Unfortunately, I have come to believe that Mr. Geithner lacks the critical judgment necessary to be an effective Treasury Secretary and careful steward of taxpayer dollars.

To properly weigh a potential Cabinet member's qualifications, it is important to pay close attention to the committee hearings held to consider the nomination and the views expressed by both the nominee and members of the committee. After Mr. Geithner's testimony before the Senate Finance Committee, a very well-respected member of the committee stated that "I don't believe that the requisite candor exists for me to indicate my support for him with an affirmative vote." Another member of the committee stated that, "Mr. Geithner has been involved in just about every flawed bailout action of the previous administration. He was the front-line regulator in New York when all the innovations that recently have brought our markets to their knees became widespread. . . . All those actions, or failures to act, raise questions about the nominee's judgment." I fully agree with my colleagues' sentiments.

I am deeply troubled by Mr. Geithner's role in the mismanagement of the TARP. He has enthusiastically supported failed policies that have cost the taxpayer hundreds of billions of dollars. Earlier this month, I voted with 41 of my colleagues in opposition to releasing the remaining \$350 billion TARP funds because I had seen no evidence that the additional and substantial taxpayers' money would be used for its intended purpose. TARP was created to allow the Treasury Department to purchase up to \$700 billion in "toxic assets" from financial institutions in order to help homeowners facing foreclosure and to stimulate the

economy. The misuse of the first \$350 billion of TARP funds combined with the lack of transparency promised by the Treasury Department were reasons enough to oppose releasing additional funds. It is my strong opinion that no further TARP funds should be released until we are able to impose strict standards of accountability and ensure that the money is spent only as intended by Congress—to purchase mortgage-backed securities and other troubled assets.

Unfortunately, I have seen no evidence that Mr. Geithner shares that view. He has stated that more oversight and transparency are necessary but to date he has offered no specifics about how the remaining \$350 billion in TARP money would be spent and has laid out no criteria for serious oversight and accountability of such substantial sums of taxpayer dollars.

With no regard for congressional intent, and with the support of Mr. Geithner, the Treasury Department has used TARP funds to prop up the banking industry and to guarantee securities backed by student loans and credit card debt. But most troubling to me has been the use of TARP funds to help bail out the domestic auto industry—in direct defiance of Congress. Last month, after extensive discussion and debate, the Senate rejected a plan to pump billions of Federal dollars into the domestic auto industry because we saw no evidence of serious concessions from the industry and no assurance of the domestic auto manufacturers' long-term viability. When asked about the use of TARP funds to further assist the domestic auto industry, Mr. Geithner indicated he would support further funding as long as it was accompanied by "a comprehensive restructuring" of the auto industry. Again—he offered no specifics.

Madam President, the American people can no longer afford ambiguous assurances of transparency, accountability, and reform. They need and want specifics and particulars—and the person leading the U.S. Treasury should be able to provide the American taxpayer with the details they seek.

Mr. FEINGOLD. Madam President, I will vote against the nomination of Timothy Geithner to be the next Secretary of the Treasury. I do so with some reluctance. President Obama, like any other President, is entitled to have the Cabinet he wants, barring a serious disqualifying issue. And Mr. Geithner is a very able nominee in many ways. Mr. Geithner is clearly a smart, capable individual, with the qualifications to be Treasury Secretary, and he has a host of distinguished individuals attesting to those facts.

While I am troubled by Mr. Geithner's track record on the issues that have contributed to the credit market crisis, I do not base my vote on what is, to a certain extent, a matter of policy disagreement. During the last year of the Clinton administration, Mr.

Geithner reportedly participated in the Treasury Department's support for the elimination of the Glass-Steagall Act protections which had served to keep our banking system stable since the Great Depression, as well as the Department's opposition to the regulation of derivatives, the explosive financial instruments that helped trigger the financial market contagion. It those reports are accurate, Mr. Geithner's actions were not singular by any means. Indeed, while I opposed both moves, they each had broad bipartisan support in the House and Senate.

His more recent work as President of the New York Federal Reserve Bank also raises serious questions. At a minimum, he was one of the primary regulators of some of the largest financial institutions in the country at a time when their activities greatly contributed to the eventual meltdown of the credit markets.

As I have noted in the past, I give any President great deference with respect to his executive branch nominees, and the greatest deference regarding Cabinet appointments, even when I may have significant policy differences with the nominee. The matters surrounding the credit crisis largely fall into this category.

Mr. Geithner's tax liability is a different matter, however. I am deeply troubled by his failure to pay the payroll taxes he owed, despite repeated alerts from his employer at the time, the International Monetary Fund, that he was responsible for paying those taxes. It is especially troubling because Mr. Geithner signed documents at the IMF promising to pay taxes, including the payroll taxes, in exchange for a special "gross-up" of his income intended to offset the cost of those taxes. Moreover, his earlier interactions with the Internal Revenue Service over his failure to pay sufficient payroll taxes for his household employees make Mr. Geithner's explanations of his failure to pay his own payroll taxes even less satisfactory.

The failure to comply with our Nation's tax laws would be problematic for any Cabinet nominee, but it is especially disturbing when it involves the individual who will be charged with overseeing the enforcement of our tax laws. Mr. President, surely that individual must meet a higher standard than a failure to establish they deliberately evaded their tax liability.

With the condition the economy is in today, and the state of our country's financial institutions, the stakes could not be greater for the next Treasury Secretary. And despite his failure to comply with the tax laws, the seriousness of our economic challenges may be the reason Mr. Geithner is confirmed. Indeed, that seems to be likely.

If he is confirmed, Mr. Geithner will be asked to oversee not only a faltering economy but also the rehabilitation of our financial markets. No Treasury Secretary has faced bigger challenges. I hope that if he becomes our next Sec-

retary of the Treasury Mr. Geithner will be a bit humbled by his missteps, policy, and otherwise, and will revisit the positions he took when he was in the Clinton Treasury Department in light of the subsequent damage they did to our financial markets, as well as his actions or lack of action as President of the Federal Reserve.

Given the enormous challenges he will face and the great talent he appears to have Timothy Geithner has the ability to be a truly great public servant. I hope he will live up to that potential.

Mr. LEAHY. Madam President, I rise today to speak on the nomination of Timothy Geithner to be Secretary of the Treasury.

The next Treasury Secretary will face unprecedented challenges as the United States continues to deal with the greatest economic and financial crises since the Great Depression. Not only must the new Secretary oversee an economic recovery at a time when enormous Federal deficits threaten our country's long-term economic outlook, he will have responsibility over the \$700 billion Troubled Assets Rescue Program, TARP, to assist struggling homeowners and revitalize our capital markets.

While I was extremely disappointed in Mr. Geithner's failure to pay his taxes in a timely manner, I believe that first and foremost we need a Treasury Secretary who is eminently qualified to help steer the country through this difficult period. In my opinion, Mr. Geithner's background as President and chief executive officer of the Federal Reserve Bank of New York and his previous experience at the Treasury Department has prepared him for this important position.

I have many problems with the ways in which the Treasury Department under the previous administration used the TARP funding. After a series of fits and starts, it shifted the intended focus of the program from homeowner relief to financial stabilization. In addition, there have been widespread reports of companies receiving funds and continuing to pay executive bonuses and dividends. Clearly, the Treasury Department has not been as transparent as it should be in detailing how these funds have been spent.

I have reviewed Mr. Geithner's testimony before the Finance Committee carefully, and I was pleased to see that he intends to reform the TARP to be more accountable and transparent—and to be more in line with the original intent of alleviating the housing crisis. Proper administration and accounting of the TARP funds is essential for helping facilitate an economic recovery. I expect Mr. Geithner to follow through on these important policy changes on how the TARP funding is distributed in the future.

Thus, after weighing all of the various factors, I intend to vote in favor of Mr. Geithner's nomination today. And I wish him well as he undertakes this significant endeavor.

Mr. CONRAD. Madam President, I will vote to confirm Timothy Geithner as Secretary of the Treasury. I do so with reluctance because of his tax history. For me, this vote is a very close call.

Quite simply, I find his failure to pay self-employment taxes completely unacceptable. I am a former tax commissioner. I have dealt with hundreds of cases like this one. And in normal times, that alone would lead me to oppose his confirmation.

But these are not normal times. Our country faces the greatest economic and financial crisis since the Great Depression. I personally don't think we can afford a further delay in filling this critically important position. I think we are not anywhere near out of the woods, that very serious days lie ahead of us, and that it is absolutely imperative that we get a Treasury Secretary in place. And Mr. Geithner does have the background to contribute to solving this crisis. For these reasons, I will support his confirmation.

Ms. SNOWE. Madam President, I rise with respect to the nomination of Timothy Geithner for Secretary of the Treasury.

This nomination comes at a tumultuous and precarious time, as our Nation's economy remains in the throes of an accelerating downturn—financial markets have fallen precipitously and are threatening the retirement security of millions of Americans, credit markets are still failing to function normally, and the budget deficit regrettably is poised to reach record heights. And so, as Mr. Geithner well understands, this nomination could not arrive at a more consequential moment in our Nation's history.

The Department of the Treasury states its role as “the steward of U.S. economic and financial systems.” And undeniably, today, we face a simultaneous crisis in both of these systems on a scale most appropriately described as monumental—as this recession approaches the longest and deepest since World War II. The cascading effect of our collapsing housing markets combined with irresponsible, unregulated and unchecked instruments and investments in our financial markets has resulted in an onrush of disastrous economic repercussions—most especially for hardworking Americans, 2.6 million of whom lost their jobs last year, with millions more looking forward to this year with a sense of profound dread. This is the morass out of which a course must be charted—and this is the challenge to which the next Secretary of the Treasury must be equal—bringing a breadth of experience combined with aggressive management, oversight, and leadership.

Given Mr. Geithner's record of achievement and reservoir of experience, which includes more than 5 years as president of the New York Federal Reserve Bank and service to five Secretaries of the Treasury, spanning three administrations, it is clear Mr.

Geithner brings to this crucial post a high-caliber, comprehensive, and nuanced understanding of finance, policy, and process that will also prove invaluable at this pivotal moment. At the same time, Mr. Geithner must provide leadership along with the predisposition to turn vision into action and to execute solutions. He must also simultaneously concern himself with the financial security challenges presented by this perilous period.

Which brings me to the Troubled Asset Relief Program or the so-called TARP. The Bush administration committed the first \$350 billion of the \$700 billion Congress authorized last October to create TARP, and, now, the second half of the money will be released. I understand people's frustrations and concerns with the TARP program thus far—because I share those concerns. Indisputably, a lack of transparency and accountability in the first half of the TARP funding fostered an environment in which taxpayer dollars were invested in banks and other financial institutions that have refused to reveal how the money was used—and this is unacceptable.

At the same time, given the information I have as a member of the Senate Finance Committee on the state of the economy and the undeniable seriousness of our circumstances, I believe exceptional measures can and must still be taken. President Obama conveyed to me personally that releasing the remaining TARP funds is essential for shoring up an economy that continues to plunge further into recession—and the President has also assured me that his administration would implement critical safeguards while addressing the foreclosure crisis that is plaguing our economy along with so many hardworking Americans.

Indisputably, it is time for TARP to cease operating in an ad hoc manner that allowed the Treasury Secretary to tell Congress funds would be used to purchase illiquid securities, before—with no congressional review—they were reprogrammed to inject capital into banks, other financial institutions, and automakers. Therefore, following the commitments articulated by the Obama administration in letters from Mr. Larry Summers delivered to Congress on January 12 and 15, I will, in the coming days be looking for Mr. Geithner to announce programs to assist credit-starved small businesses and consumers in obtaining the loans necessary to create jobs and purchase products and services. The bottom line is that Mr. Geithner must restore public confidence in TARP by explaining in detail how funds will be used and then delivering on those pledges—because what is at stake is the public's money and the public trust.

Additionally, increasing our Nation's financial security will require the infusion of TARP dollars to help forestall our foreclosure crisis that is at the root of our economic troubles. That is why I will be vigilant in making cer-

tain the Obama administration acts quickly on its pledge to use between \$50 billion and \$100 billion of TARP funds to help keep imperiled families in their homes. Already, we have regrettably witnessed 2.3 million foreclosure filings in 2008 or an astounding 81 percent increase from 2007, according to a January 15 report by RealtyTrac, an online real estate marketplace that publishes the Nation's largest and most comprehensive foreclosure database.

Therefore, we must redouble our efforts to prevent further erosion of our financial security in the housing market. Yet indicators tell us that this slide may only worsen. In fact, the proportion of consumers with mortgages that are 60 days or more past due will hit 7.17 percent in the fourth quarter of 2009, compared to an expected delinquency rate of 4.67 percent at the end of 2008, as stated by TransUnion LLC—a national credit reporting company. Mr. Geithner must not waste any time in establishing a program that will offer financial incentives to companies that agree to reduce monthly payments on mortgage loans.

Moreover, I am deeply concerned about the Government Accountability Office's—GAO's—December report that concluded that more oversight over the Troubled Asset Relief Program—TARP—is necessary. While Treasury and banking regulators have publicly stated that they expect institutions receiving capital injections as part of the TARP's \$250 billion to promote the flow of credit and modify the terms of residential mortgages to strengthen the housing market, Treasury has not yet established policies to ensure the funds are being used as intended. Indeed, the Associated Press reported on December 22, that when it contacted 21 banks that received at least \$1 billion in Government money, not one could provide specific answers on how the money is being used.

Equally disturbing, GAO found that while institutions receiving capital injections are subject to specific restrictions on dividend payments and repurchasing shares, the Department of the Treasury has no procedures in place to ensure adherence to these strictures. And while I am pleased that the Treasury Department on January 16 issued rules requiring the chief executive officer of a financial institution receiving funds to certify compliance with executive compensation rules, Treasury must review all such disclosures to assure their accuracy.

Indeed, if confirmed, Mr. Geithner must, as the Obama administration has pledged, take steps on day one to address this egregious lack of oversight, making the protection of taxpayer funds a top priority and holding healthy banks accountable for lending—not holding—the public funds they have received. Moreover, these rules should apply not only to banks receiving injections in the future, but also to those who have already obtained taxpayer dollars.

Because of the reasons just cited—in addition to deficiencies I learned about at the confirmation hearing last November of TARP inspector general Neil Barofsky—I introduced legislation on November 20, 2008, to strengthen the inspector general's authority to vouchsafe taxpayer dollars. Among other provisions, my bill would waive applicable hiring standards in order to enable the IG to swiftly acquire staff, allow the investigation of any program receiving TARP funding, and require a study of whether banks are indeed lending the taxpayer dollars they have been given. This measure represents the right course to demanding disclosure, and yet, frankly, it is patently absurd that we even have to divine such a course.

All of the provisions in my IG bill were incorporated into the Special Inspector General for the Troubled Asset Relief Program Act of which I am an original cosponsor and that the Senate unanimously passed on December 10, 2008, but regrettably that measure did not pass Congress. That is why I am joining with Senator McCASKILL in reintroducing this measure, which must be considered in short order and be one of the first measures approved by the 111th Congress.

In taking up the gauntlet of providing both economic and financial stewardship, Mr. Geithner must, in the process, work hand in glove with Congress to see to it that we are never again forced to vote on a financial rescue package. We must renew accountability and transparency from all of our financial products that have contributed to the meltdown to which we are now responding. And we must have more effective mechanisms to understand whether firms are creating systemic risks that could undermine the foundations of our financial system. To that end, last September, I introduced the Federal Board Certification Act of 2008, legislation that would better assess the risk characteristics of the mortgage-backed securities that led to the financial crisis. This bill would establish a voluntary Federal Board of Certification to certify the risk characteristics of mortgage-backed securities. I hope Mr. Geithner will work with me to make it law.

Not only should Mr. Geithner help Congress draft a proposal to ensure our system of regulation is viable, but he must also ensure that we do not find ourselves in the situation that occurred with the fall of Lehman Brothers, which was allowed to fail sending the financial system into a downward spiral—followed by disparate explanations of why exactly that failure was permitted.

Indeed, according to a December 14, 2008, New York Times editorial, Questions for Mr. Geithner, there are conflicting accounts as to how Lehman—an institution in existence before the Civil War—was allowed to collapse. In testimony before Congress on September 24, 2008, Federal Reserve Chair

Ben Bernanke said that the Federal Reserve and Treasury declined to commit public funds to support Lehman. Bernanke testified that the failure of Lehman posed risks but that the firm's troubles had been well known for some time and investors recognized bankruptcy was a possibility. Thus, Bernanke concluded, "We judged that investors and counterparties had time to take precautionary measures."

But the same New York Times editorial then said that Chair Bernanke changed his story and on December 1, 2008, said that "legal constraints" had prevented the Fed from rescuing Lehman. Additionally, the paper reports that a spokesman for the New York Fed, which Mr. Geithner led, also said that the Fed had no legal authority to intervene.

Regardless of which explanation is true, Federal Reserve Chair Bernanke, former Treasury Secretary Paulson, and Mr. Geithner should have come to Congress for any additional authority necessary to prevent a calamity if they believed Lehman's failure was likely to wreak havoc on the Nation's financial system as it appears to have done, particularly as they saw the effects of such a downfall coming. As Treasury Secretary, Mr. Geithner cannot afford to allow such a mistake to occur once again. We are counting on him to go to President Obama and Congress when conditions warrant and not to stand on the sidelines.

Regarding Mr. Geithner's tax return mistakes, they are deeply troubling. After intense scrutiny by the Senate Finance Committee, of which I am a member, Mr. Geithner acknowledged that his errors were "careless" and "avoidable," and, frankly, should not have occurred—a sentiment I strongly share. I am confident this experience will make Mr. Geithner more sensitive to the struggles that average Americans face in dealing with the tax code, and that he will aggressively utilize his leadership position to advocate and advance tax simplification.

Looking at the totality of the record—Mr. Geithner's achievements and broad experience—and considering all of these factors within the context of the gravest economic times since the Great Depression, I believe that Mr. Geithner is well suited to serve as our next Secretary of the Treasury, and that President Obama should have his nominee confirmed. Indeed, a recent USA Today editorial echoes this sentiment, stating that "Mr. Geithner deserves rebuke on taxes, then fast confirmation." Our Nation deserves the best qualified individual to take the helm of the Treasury Department during these unprecedented times and to tackle these Herculean challenges to our modern economic system.

And so, for the reasons I have outlined, I will today vote to confirm Mr. Geithner as the 75th Secretary of the Treasury. I stand ready to work with Mr. Geithner and President Obama not only to help reverse this economic

downturn, but at the same time to ensure vigilant and vital congressional oversight in the process—and that American taxpayer dollars are being spent wisely, effectively, and as intended by Congress and the American people.

Mr. LEVIN. Madam President, there is no question that our Nation's next Treasury Secretary will have a heavy burden: deregulation run rampant has shaken the foundation of our financial system and reverberated through our economy with devastating impact. I will support Timothy Geithner because I believe he has the expertise to meet the enormous challenges posed by this financial crisis and years of regulatory neglect.

Last week, Mr. Geithner provided responses to detailed questions that I submitted to him as part of the confirmation process. His answers reflect some important new priorities and policy advances, including placing a priority on ending offshore tax abuses; preserving strong U.S. accounting rules; reinvigorating international anti-money laundering efforts; and imposing a 1-year cooling off period before financial regulators can take a job with a company they regulated. He also recognizes the need to overhaul our financial regulatory structure, including by strengthening regulation of hedge funds, derivative traders, and the over-the-counter derivatives markets; and strengthening capital and liquidity requirements for financial institutions.

Despite these positive indicators, I do have some reservations. Mr. Geithner is a strong nominee because of his extensive experience, but while he now indicates support for some regulation of swaps, he has been reluctant to acknowledge that prohibiting regulation of those instruments was a mistake in 2000, and has offered only tepid support for some of the strong regulatory controls needed. Mr. Geithner has also been a key decisionmaker in the flawed financial rescue effort which has failed to track the use of TARP funds and failed to mandate lending of those funds to creditworthy businesses and to addressing the foreclosure flood. He has been reluctant to support requiring TARP fund recipients to track and report on their use of taxpayer dollars and requiring those who receive more than \$1 billion in taxpayer assistance to provide written viability plans on how they intend to regain financial stability and repay the funds. Still, Mr. Geithner's apparent willingness to listen to and work with Congress and his openness to compromise is promising for future progress in these and other areas.

The job that awaits Mr. Geithner pending his confirmation is an extremely tough one. I hope that he is confirmed, and that he lives up to the promise of the Obama administration, including implementing the transparent, pragmatic, and thoughtful policymaking that is a hallmark of President Obama's approach to government.

Our Nation's economic recovery requires nothing less.

Mr. BAUCUS. Madam President, a Congressman from Pennsylvania said:

I do believe we are now on the brink of a precipice, that will be dangerous for us to step too fast upon.

The Pennsylvania Congressman spoke not today, but more than 200 years ago, in the early days of our Nation.

We often forget that our young Nation was born not just in the glory of independence and democracy, but with the throes of a financial crisis. At its founding, America was so encumbered by debt that the annual interest on its debts alone was three times its foreseeable annual income.

Finding a way out of that financial mess fell largely to one man, our Nation's first Treasury Secretary, Alexander Hamilton.

Hamilton was not popular. His task was not easy. And he received little support. But ultimately he succeeded.

Again today, our Nation finds itself on the brink of a precipice. Again today, the way out of our financial mess falls substantially on one man. Again, his task will not be easy. And again, he may not be popular with all of my colleagues. But again, he must succeed.

Today, we are considering the nomination of Timothy Geithner to be America's Treasury Secretary, in a time of unprecedented crisis. Credit markets are broken. Nearly 3 million Americans have lost their jobs in the past year. Homeowners face foreclosure. And home values continue to fall.

Financial alchemy, carelessness, excessive leverage, and greed have crippled Wall Street and America's financial institutions.

Today, America does not face imminent bankruptcy, as it did in Alexander Hamilton's time. Our Nation's creditworthiness remains solid. And our currency and Treasury bonds anchor the world economy. Today's Treasury and Federal Reserve pack financial firepower and resources unmatched by any other economy.

But in many ways, it will be far more daunting to solve today's challenges than it was in Hamilton's day. The exotic financial innovations that set off today's crisis are unprecedented. And their consequences are therefore not fully known. Today's unconventional crisis will not be solved with conventional solutions.

We face this crisis integrated in a world economy through international trade, foreign direct investment, and global financial markets. We face this crisis relying on foreign nations to finance our current account deficit. And we face this crisis at a time when nearly every economy in the world appears headed for simultaneous—and in some cases rapid—recession.

President Obama has asked the Senate to confirm Timothy Geithner without delay. Our economic crisis demands it.

The Senate Finance Committee vetted Mr. Geithner thoroughly. We questioned him for 3 hours last week in a public hearing. And we examined him behind closed doors a week before.

My colleagues and I strongly support his nomination. And I believe that Mr. Geithner is uniquely qualified for this job, at this time.

Tim Geithner is a dedicated, lifelong public servant. He has not relied on money and political influence to rise to positions of responsibility. He did it the old fashioned way—with hard work, dedication, and competence.

Mr. Geithner began his career at the U.S. Treasury Department. He rose to become Under Secretary of the Treasury for International Affairs. There, he dealt effectively with financial crises of the past decade. There, he earned the respect and trust of policymakers around the world.

As president of the Federal Reserve Bank of New York, Mr. Geithner oversaw the execution of America's monetary policy, monitored financial institutions, and advised our economic partners around the world.

More recently, Mr. Geithner worked with Treasury Secretary Paulson and Federal Reserve Chairman Ben Bernanke on the series of initiatives aimed at thawing frozen credit markets and stabilizing our financial sector.

History will judge the wisdom of how this past administration handled our crisis. But I take comfort in knowing that Mr. Geithner will enter his new job knowing the scope, motivation, and effect of what was done. He will enter his new job knowing what worked, what did not, and what more needs to be done.

Mr. Geithner will surely make mistakes. We all do. But Mr. Geithner's experience will help him to avoid repeating the same mistakes that this past administration made.

Mr. Geithner also knows what we expect of him. He knows that we expect him to be a good steward of taxpayers' money. He knows that we expect vigorous oversight of all financial recovery actions. He knows that we expect Congress to be consulted and informed on all initiatives. And he knows that the well-being of America's small businesses must be part of every decision he makes.

When Alexander Hamilton became Treasury Secretary in the face of extraordinary crisis, he said:

I conceived myself to be under an obligation to lend my aid towards putting the machine in some regular motion.

With this vote, Mr. Geithner is under an obligation to lend his aid—every last ounce of it—to putting our economic machine in regular motion. America is counting on it.

Once again, we are on the brink of a precipice. Once again, our President calls upon one brilliant man to help to bring the Nation back.

Let us give him the person whom he has requested. And let us confirm our

new President's choice for Secretary of the Treasury.

Madam President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Madam President, how much time remains on each side?

The PRESIDING OFFICER. The majority has 13 minutes remaining. The minority has 1 minute remaining.

Mr. DORGAN. Madam President, I came to the Chamber and heard my colleague from Iowa speak about the nomination before us and speak about the culture of greed and other events that have resulted in the collapse of our financial system. I want to make a point that the Senator from Iowa is not alone. There are a number of us who feel very strongly about what has happened on Wall Street, what has happened since the financial collapse, and what is happening every single day. You wake up in the morning and you hear of thousands and thousands of people being laid off, with 2.6 million people losing their jobs last year and an estimated 2.5 million people expected to lose their jobs in the first 6 months of this year alone.

This is a very serious problem for our economy, which is perched on the edge of a cliff. The question is, Who is going to steer us out of this mess? My notion is that the same people who steered us into the ditch are not likely to show up with an ambulance to get us out. And my great concern is that there needs to be a culture change. I must say I am concerned as well that we have some people coming to Washington who were part of the culture that got us into this mess.

It was 10 years ago when the Financial Modernization Act was on the floor of this Senate. My colleague from Iowa voted against it, and so did I. There were eight of us who voted against it in the Senate. That is what caused these big holding companies, Citigroup, or Citicorp at that point, wanted to buy Travelers Insurance but the law wouldn't let them. So they got busy and changed the law. They got Glass-Steagall repealed—the protections put in place after the Great Depression—so that banks could get engaged in riskier enterprises, such as securities and real estate and merged it all together into a big holding company and said it would be fine.

I stood here on the floor of the Senate 10 years ago and said: Mark my words, within a decade, we are going to see massive taxpayer bailouts if we pass that bill. I have no pride in being right. But I said at the same time, if you want to gamble, go to Las Vegas.

Why on Earth should we have done in 1999 what we did to fuse banking with

inherently risky enterprises? It created an unbelievable carnival of greed. People at the top were making money hand over fist, taking it home, and putting it in their big banks. Not everyone was making money, only folks at the top. The highest income in 2007 was \$3.6 billion for one person. Think of that. Incomes from outerspace.

So what do we have? Well, the fact is some of the same folks in 1999 preached the gospel of deregulation—getting rid of those old-fashioned things put in place after the Great Depression—to get what they called one-stop financial service centers. You would have one-stop financial shopping. Now you would be going to one place to do your real estate and your securities and your banking. That is what they wanted. Well, they got it. Only eight of us voted no, so they got it. Now the American people bear the brunt of this colossal, unbelievable failure.

I have to say—and I have told the President this—that I worry some folks coming into this town now were part of the chorus supporting all of that deregulation in what was called modernization—the Financial Modernization Act and a couple of other pieces of legislation that occurred thereafter. So I am going to watch like a hawk the folks who show up around here who were part of the supporters back in 1999 who have taken apart the protections that had existed since the Great Depression. I am going to watch this like a hawk.

We have to fix this, but you can't fix it by tightening a few bolts here and there. We need financial reform. We need to ask basic questions: Was it ever in the public interest to begin securitizing everything and passing risk up the line and allowing the most unbelievable mortgages to be written—no documentation of income, you don't have to pay any principal at first or you don't have to pay interest for 12 months. All this sort of thing. And by the way, if you have a bankruptcy in your background, come to us, we want to give you a loan. If you are slow in paying, have bad credit, or a bankruptcy, come to us, we will give you a loan. That is the way it was advertised. Unbelievable.

This was a carnival of greed that has now toppled the financial structure of this country. And every single day American families around this country are bearing the burden and paying the price. Somebody is coming home and saying to their spouse, their loved ones, their friends, I lost my job today. It is not because I am a bad worker. It is because there were layoffs at the plant or the office. The price for this greed is unbelievable.

Now it has stopped because it has collapsed. But now we have to rebuild it. And the question is, who will be the architects who will give us confidence to rebuild a financial system in which underwriting is really underwriting; in which we soak out some of the greed and get back to basic values; you sepa-

rate banking from risk; you begin to regulate, and you get rid of the folks around here who boasted about being willfully blind in terms of their responsibility to regulate behavior that long ago should have been regulated?

So I wanted to say that the Senator from Iowa speaks for a number of us—certainly myself—in being very concerned and determined to watch like a hawk what happens from this day forward with respect to those who are charged with and asked to help us reconstruct this system—a financial system, a system of employment, a system of production in this country where we put America back on track and give it the opportunity to expand, to grow, and to allow the American people to have confidence in the future once again.

Madam President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURBIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority whip is recognized.

Mr. DURBIN. Madam President, it is my understanding a vote is scheduled at 6 o'clock.

The PRESIDING OFFICER. That is correct.

Mr. DURBIN. Madam President, I have a statement I wish to make, but if Senator BAUCUS should come to the floor, or his designee, I will yield the floor at that point if they want to close the debate. But I want to make a statement in reference to the nomination of Mr. Geithner to be the Secretary of the Treasury.

Today's press reports were staggering. The largest manufacturer in my State, Caterpillar, is cutting 20,000 jobs—18 percent of their workforce; Pfizer is laying off 8,300 workers; Sprint Nextel, 8,000; Home Depot, 7,000; Corus, 3,500 workers. That is a shortened list of announced job losses—over 47,000 in total—in just today's newspaper. Last week, Harley-Davidson, 1,000 jobs; Microsoft, 5,000; Intel, up to 6,000; United Airlines, 1,000; Bose, 1,000; Clear Channel, 1,850 workers.

It is abundantly clear that our economy is in a tailspin, and it is clear to me as well that we will need leadership in the Department of the Treasury. Mr. Geithner, who is the nominee of this administration as Secretary of Treasury, has been the subject of hearings. There have been disclosures concerning taxes that he has paid in the past. He has acknowledged his own shortcomings when it comes to some of these issues. I would say at this point, now more than ever, we need a person with his background and his skills to lead us in the Treasury Department. When you take a look at the state of the economy, I hope the Senate will respond as quickly as possible—this

evening—in appointing him to this position.

Then we should move quickly. Once we have finished the Children's Health Insurance Program this week—the majority leader, Senator REID, has said we will finish it this week—then we need to move into the recovery and reinvestment plan which President Obama is going to offer to Congress. Tomorrow, in historic meeting, President Obama is coming to Capitol Hill to meet with Republican Congressmen to talk about the plan. He is doing everything in his power to work together with Democrats and Republicans to put together the right investment for our Nation's future.

We know what is at stake. It isn't just the immediate job losses, it isn't just the unemployment rate we face, which is at a record high level for the last 16 years, but it also is a question of investment in this country. There are some who want this to be a temporary program. I hear that from Senator MCCONNELL—he wants this to be temporary. But we have to acknowledge some of the investments we want to make are long-term investments to stabilize the economy. When we decide to build classrooms, laboratories, and libraries for the 21st century, it creates jobs today and over the next several years, but it also creates an asset that will pay back over long periods of time. When we invest in information technology when it comes to health care, it is an investment that will pay off in bringing down the cost of health care and reducing the medical errors that result when we don't have accurate information. When we make investments in providing energy incentives for new green businesses to lessen the dependence of America on imported oil, it creates a job today, but it may be something that pays back over the long term.

I don't think the American people expect us to do something which will disappear in 18 months and have to be repeated. They want us to invest this money as best we can in those projects that have long-term value.

Mr. Geithner, the Secretary of the Treasury, will have important responsibilities when it comes to other aspects of this—financial institutions that will be brought into this equation to find ways to stabilize our economy and move us forward—but the key issue, over and over again, is the creation of jobs—jobs. We lost over 500,000 American jobs in the month of December, we are anticipating losing 600,000 this month, with no end in sight—17,000 Americans a day losing their jobs. We have to act quickly—not with haste and not without due consideration, but we have to act quickly to respond to this economic crisis.

I think the approval of Mr. Geithner as Secretary of the Treasury is a first step, and then the recovery plan which will follow. The House will take it up this week, and we will take it up in committee. We are going to finish it

before we leave on February 14. It is a target date which all of us understand is very serious because we are facing economic circumstances we have not seen in this country in over 75 years. I want to make sure we do this and do it quickly; that we act boldly and swiftly, and at the end of the day we create the jobs that are needed in this country, we cut taxes for working families so they will have more resources to cope with the expenses they face, and we invest in long-term investments that pay off and stabilize our economy. We are talking about roads and bridges and airports and schools, and we need transparency and accountability when it comes to this recovery program.

Madam President, I yield the floor.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is, Will the Senate advise and consent to the nomination of Timothy F. Geithner, of New York, to be Secretary of the Treasury?

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Ohio (Mr. BROWN), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Oregon (Mr. WYDEN) are necessarily absent.

Mr. KYL. The following Senator is necessarily absent: the Senator from Missouri (Mr. BOND).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 60, nays 34, as follows:

[Rollcall Vote No. 15 Ex.]

YEAS—60

Akaka	Feinstein	Mikulski
Baucus	Graham	Murray
Bayh	Gregg	Nelson (FL)
Begich	Hagan	Nelson (NE)
Bennet	Hatch	Pryor
Bingaman	Inouye	Reed
Boxer	Johnson	Reid
Burris	Kaufman	Rockefeller
Cantwell	Kerry	Schumer
Cardin	Klobuchar	Shaheen
Carper	Kohl	Shelby
Casey	Landrieu	Snowe
Conrad	Lautenberg	Stabenow
Corker	Leahy	Tester
Cornyn	Levin	Udall (CO)
Crapo	Lieberman	Udall (NM)
Dodd	Lincoln	Voinovich
Dorgan	McCaskill	Warner
Durbin	Menendez	Webb
Ensign	Merkley	Whitehouse

NAYS—34

Alexander	Bennett	Bunning
Barrasso	Brownback	Burr

Byrd	Hutchison	Risch
Chambliss	Inhofe	Roberts
Coburn	Isakson	Sanders
Cochran	Johanns	Sessions
Collins	Kyl	Specter
DeMint	Lugar	Thune
Enzi	Martinez	Vitter
Feingold	McCain	Wicker
Grassley	McConnell	
Harkin	Murkowski	

NOT VOTING—4

Bond	Kennedy
Brown	Wyden

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is considered made and laid on the table.

The President shall be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will resume legislative session.

CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT OF 2009

The PRESIDING OFFICER. The Senate will now proceed to the consideration of H.R. 2, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2) to amend title XXI of the Social Security Act to extend and improve the Children's Health Insurance Program, and for other purposes.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that the consideration of H.R. 2 be for debate only during today's session. There will be no amendments in order tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. The author Lois McMaster Bujold wrote:

Children might or might not be a blessing, but to create them and then fail them was surely damnation.

Before 1997, we largely failed the children of the working poor. The Children's Health Insurance Program changed that. For millions of working families, the Children's Health Insurance Program has truly been a blessing.

Before 1997, kids of the working poor had nowhere to go to get health insurance—nowhere. Their parents' employers did not offer health insurance benefits, and the individual market offered only low-quality insurance options at unaffordable prices. Without health insurance, kids could not see the doctor for a checkup, they could not get a prescription for an earache, and they

could not get treatment for common chronic conditions such as asthma. Unhealthy kids cannot run and play, they cannot do well in school, and they cannot grow into healthy and productive adults.

In 1997, Congress took action to address this problem. We established the Children's Health Insurance Program. Today, we finally move forward to keep the program going. The Children's Health Insurance Program has bipartisan roots, and it has achieved what we created it to do; namely, it covers low-income, uninsured kids.

Congress enacted the Children's Health Insurance Program as a bipartisan compromise. Members of Congress wanted to address the rising number of children without health insurance, and Senator ROCKEFELLER, Senator HATCH, Senator KENNEDY, and the late Senator John Chafee led the way. I am proud to have helped write and pass the Children's Health Insurance Program 12 years ago. It has been a tremendous success.

The Finance Committee reached a compromise that allowed States to set up children's health insurance programs that would meet their unique needs. States can choose whether they want to participate in the program. Within 2 years of CHIP's creation, every State decided to participate. It was a no-brainer. Every State wanted to address the health care needs of our most vulnerable children.

In its first decade, CHIP cut the number of uninsured children by more than one-third. Today, because of CHIP, nearly 7 million children get the doctors visits and medicines they need. Those healthier childhoods will enable those 7 million kids to become healthy, productive adults.

Health insurance is important. It is more than important; it is critical. Children with health coverage are more likely to get the health care they need, when they need it. Because of CHIP, 7 million kids have regular checkups, see doctors when they get sick, and get the prescription medications they need.

The task before us is to reauthorize this important program. Many will recall that we started this process back in the year 2007.

Congress worked hard, very hard to pass a bipartisan reauthorization package. I can tell my colleagues, Senators HATCH, ROCKEFELLER and myself and Senator GRASSLEY worked hours on end. I cannot tell you the number of hours we met and how hard it was, but we worked together and got that compromise. We got it passed on the floor, passed the House. But President Bush vetoed it twice. Times have changed. President Obama is looking forward to signing the Children's Health Insurance Program bill, and Congress is prepared to act.

Americans overwhelmingly support covering kids. The bill before us today will keep coverage for all children currently in the program, and we will start to reach more than 4 million additional uninsured, low-income kids. In